

RISK MATTERS

Department of Administration Risk Management & Tort Defense

Bulletin #: 93-2

Date: 8/26/92

Issued To: ALL AGENCIES

Subject: INSURANCE
COVERAGE



Risk Matters is a bulletin designed to clarify policy, statute, or procedure, and to assist state agencies in minimizing their exposure to losses stemming from legal liability, vehicle liability, or property risks.

PREFACE

This issue of Risk Matters is intended to clarify statutes, policies, and procedures as they relate to insurance coverages. Ultimately, we believe that it will assist state agencies in minimizing their exposure to loss.

Each agency Risk Management Representative should distribute a final copy of this bulletin to affected employees and supervisors. Final copies should be distributed and placed in each agency's Risk Management Procedures Manual - Chapter XII, Bulletins.

OVERVIEW

The Risk Management and Tort Defense Division is charged statutorily with administering a comprehensive insurance plan for all state agencies and employees.

Periodically, we receive questions about the scope and applicability of insurance coverages to state assets, employees and activities. These questions are particularly important due to the number of state agencies, the variety of activities engaged in, and the types of employees who work for the state.

A summary of major insurance coverages is provided in each Division's Risk Management Procedures Manual. Coverages that are specialized or unique to a specific agency are summarized in the Risk Management and Tort Defense Division's annual report. This bulletin is intended to clarify commonly asked questions about the state's

general/vehicle liability and property coverages. If you have any additional questions, please contact a division staff member.

GENERAL LIABILITY AND VEHICLE LIABILITY COVERAGES

The Tort Claims Act provides liability coverage (which includes all costs associated with legal defense and payments for settlements or court awarded verdicts) for state employees who become legally obligated to pay tort damages due to negligent acts provided that the employee is acting in an official capacity and on behalf of the state.

Coverage is not provided when employee conduct constitutes oppression, fraud, malice, or does not arise out of the course and scope of the employee's employment. Examples: Criminal or intentional acts which violate civil and penal statutes. (All conditions of coverage and exclusions summarized in the Risk Management Procedures Manual apply. Exceptions are noted in this bulletin.)

Who Is An Employee?

By statute, an employee means an officer, employee, or servant of the State of Montana or its political subdivisions, including elected or appointed officials, in any official capacity, temporarily or permanently, in the service of state, with or without compensation. Independent contractors are not included under statute as state employees (See Risk Management Procedures Manual - Definitions) unless the agency has a prior written agreement with the Division.

When Is Coverage Provided and Which Activities Are Excluded?

Where there is a question as to whether or not coverage will apply to a state employee/representative or activity under statute, participants should first refer to the Risk Management Procedures Manual or give us a call. If the following criteria are met, coverage will typically apply:

General Criteria

- The activity is being performed by a representative of the state in an official state capacity and within the course and scope of employment.

Example: General liability coverage would be provided for university part-time volunteers who participate in university sponsored and supported fund raising.

- The activity furthers the interests of the state and is a legitimate function of the participant and part of its mission.

Example: Vehicle liability coverage would be provided for members of boards, councils, etc., who rent a vehicle while attending a national convention which assists the participant to better perform its mission and is supported by participant management.

- The activity is funded and supported in whole or in part by state participant management and authorized by the Governor and the Legislature.

Specific Criteria

Employees and representatives of the state will typically include employees on the university/state pay plan, most volunteers, members of state boards, commissions, councils and other representatives (with the exception of independent contractors) who are acting in an official capacity on behalf of the state. Examples and exceptions are noted below:

Coverage Provided:

- Comprehensive collision and liability coverage (bodily injury and property damages to third parties caused by state employees) will be provided for all leased/loaned vehicles. Liability coverage only is provided for state-owned vehicles. Collision damage to state-owned vehicles is not insured unless the agency has a written agreement with the Risk

Management and Tort Defense Division prior to the loss.

Examples of Acceptable Activities: All work that is associated with state employment and meets the criteria as described in the previous section.

Employees who utilize vehicles for official state business and are required to be out of Helena, are covered for personal use of the vehicle for reasonable activities provided that the activity is approved by agency management.

Comprehensive collision and liability coverage will be provided for university presidents, coaches, members of boards, councils, commissions, or other state employees who drive leased/loaned vehicles which are provided as a benefit incidental to work performed for the State.

Examples of acceptable activities: Employee operation of the vehicle for personal use within a reasonable distance of the employee's home. Driving the vehicle to the grocery store, bank, or to school etc. Other activities approved by agency management, which do not cause unreasonable damage or wear and tear for which the state may be responsible.

Exceptions: Family members of these employees are not covered under the self-insurance plan (employees are responsible for insurance coverage of family members). All other activities which are not incidental to a benefit intended by the state and are unreasonable are not covered.

Official university employees/representatives such as university presidents, coaches, professors, student body officers, or student presidents of clubs which the university supports and funds and are part of its mission are considered to be employees while acting within the scope and course of their employment.

Exceptions: criminal, intentional, or malicious acts. (See Exclusions - Chapter V, Risk Management Procedures Manual.)

Personal property of state employees in state vehicles which is required by the state incidental to work performed on behalf of the state will be covered (excluded are mysterious disappearances See Risk Management Procedures Manual,

Definitions).

Examples: Personal tools, testing equipment, clothing, etc.

Coverage Not Provided

- Students, student athletes, non-university supported clubs and student interns and residents placed outside the University System are not considered to be representatives of the state for purposes of the Tort Claims Act.

Examples: Student athletes who rent a leased/loaned vehicle would not receive vehicle coverage and would need to rely on their own personal vehicle coverage or purchase insurance with the leased/loaned vehicle at their own expense.

- Uninsured or underinsured motorists coverage is not provided for leased/loaned vehicles. State employees who drive leased/loaned vehicles are required to acknowledge that they understand what insurance coverages the state will and will not provide by signing an Acknowledgement of Insurance Coverage - Leased/Loaned Vehicles (See Attachment). Agencies are responsible to maintain these files and all other pertinent records of employees who drive leased/loaned vehicles.

- Any representative of the State of Montana who is engaged in an unreasonable activity not associated with state employment or as a benefit intended incidental to state employment and wrecks a leased/loaned or state owned vehicle will not be provided insurance coverage for a period of 3 years. The employee shall be required to purchase insurance coverage at his/her own expense thereafter.

At the end of three years, the Risk Management and Tort Defense Division reserves the right to review the representative's driving record prior to reinstatement of insurance coverage.

Examples of unacceptable activities: Driving while intoxicated, using the leased/loaned vehicle for personal use which causes damage and wear and tear or for which the state may be responsible.

Personal Property of state employees in state vehicles which is not required incidental to work performed for the state is not covered.

Typically, the employee's homeowner or vehicle insurance provides coverage for these types of losses. Employees are responsible for their own personal property.

Examples: Golf clubs, fishing poles, furs, jewelry, or cash which an employee decides to take on a trip would not be covered.

Passengers who accompany state employees in state vehicles (friends, associates, etc.) and are not on official state business, will not be covered by the state's self-insurance plan if there is an accident. Employees or passengers should verify that coverage is available through their own vehicle liability, accident, or other insurance policies.

Consideration shall be given to the existence of a written agreement with the Department of Administration, Risk Management and Tort Defense Division prior to the loss for those representatives and activities that are not outlined above.

COMMERCIAL INSURANCE COVERAGES

The Risk Management and Tort Defense Division purchases commercial insurance which is deemed necessary and cost effective. This coverage typically includes commercial property, boiler & machinery, fidelity bond, aircraft & airport, and inland marine. A summary of agency specific coverages is provided in the Risk Management Procedures Manual and in the division's annual report. These summaries are not to be used in deciding coverage. Coverage may vary somewhat by participant and exposure. If you have questions about your specific coverages, please call the Risk Management and Tort Defense Division.

The self-insurance fund MAY pay in whole or in part, losses which are not covered by commercial or self-insurance based on the criteria established in the division's Risk Management Procedures Manual, Chapter VI., Risk Retention. Consideration shall be given to the following:

- Prior written agreements between the agency and the Risk Management and Tort Defense Division.
- A loss occurs and the participant cannot provide or fulfill a vital service in the absence of indemnification from loss; and
- Funds are available in the self-insurance fund to pay for the loss.

Commercial Property

The coverage provided under the state's commercial property policy is for all risks with the exception of named perils excluded under the policy (See the Risk Management Procedures Manual - Commercial Property Insurance).

State agencies are required to report building and property values annually for all property which they wish to have insured. Policy coverage does not apply to property not owned by the state or its agencies and employees and not under the control of the state.

For purposes of this bulletin, the state's commercial property insurance does not cover students' personal property unless it is under the control of the state.

Example: Students' personal property is not covered by the state's commercial property insurance. University students should purchase renter's insurance or clarify whether their parent's homeowners policy will cover losses to their personal property while away to school.

Personal property of state employees under the control of the state is typically covered up to actual cash value (see Definitions - Chapter III) under the state's commercial property policy, subject to the conditions and exclusions named therein.

ACKNOWLEDGEMENT OF INSURANCE COVERAGE FOR LEASED/LOANED VEHICLES

I(_____), do hereby understand that the State of Montana provides comprehensive collision and liability insurance coverage for my leased/loaned vehicle in accordance with the terms and conditions outlined below:

Coverage

- Collision and liability coverage is provided for property damage to my vehicle and personal injury or property damage to third parties that is associated with my operation of the vehicle.

The coverage provided is in accordance with the provisions of Vehicle Liability Coverages, Chapter V., State of Montana, Risk Management Procedures Manual, and Risk Matters Bulletin #93-2, Chapter XII., Risk Management Procedures Manual. (Copies are available upon request from each agency's Risk Management Representative.)

Exclusions

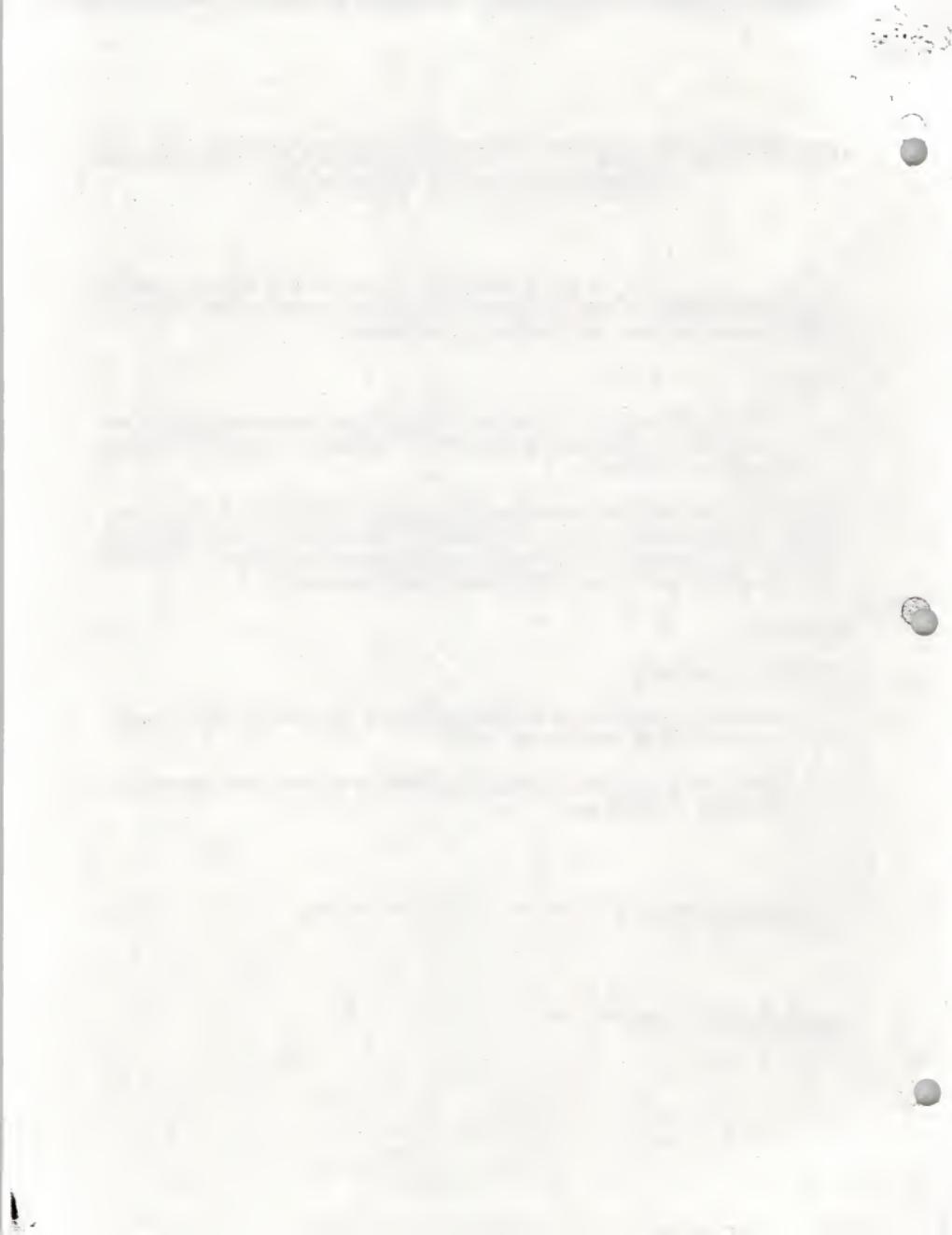
I further understand that:

- Uninsured or underinsured motorist coverage is not provided under the self-insurance plan for leased/loaned vehicles.
- Should I desire insurance coverage not provided by the state I am responsible for procuring that coverage.

(Employee Signature)

(Date)

(Witness)



RISK MATTERS

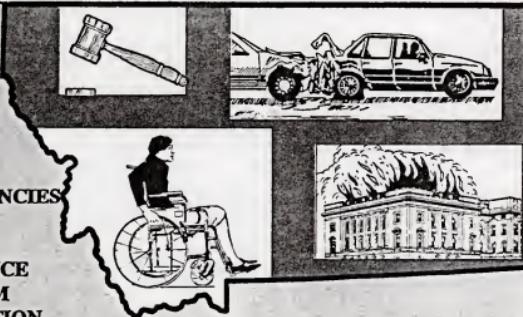
Department of Administration Risk Management & Tort Defense

Bulletin #: 93-1

Date: 8/21/92

Issued To: ALL AGENCIES

Subject: INSURANCE
PREMIUM
ALLOCATION



Risk Matters is a bulletin designed to clarify policy, statute, or procedure, and to assist state agencies in minimizing their exposure to losses stemming from legal liability, vehicle liability, or property risks.

PREFACE

This issue of Risk Matters is our first. It is devoted to increasing your understanding of how your agency's commercial and self-insured premiums are calculated.

We recommend that each agency Risk Management Representative distribute a final copy of this bulletin to affected employees and supervisors. Place a reference copy in your Risk Management Procedures Manual (Chapter XII - Bulletins).

We invite your comments and feedback! THANK YOU for making RISK MATTER!

PURPOSE

By statute, the Department of Administration is responsible for allocating the costs associated with commercial and self-insurance coverages, to individual state participants. These duties have been assigned to the Risk Management and Tort Defense Division.

Cost allocation is an integral part of the State Risk Management Program. The primary purposes of allocation are:

- 1) To spread the costs associated with agency

losses across agencies of state government so that no one agency pays total costs of its unexpected losses in any given year.

- 2) To promote risk control by providing incentives for agency managers. Agencies with high losses should pay higher insurance premiums. Conversely, agencies with favorable loss experience should pay less for insurance.
- 3) To achieve equity in risk sharing among agencies in state government.

COMMERCIAL COVERAGES

Presently, the Risk Management and Tort Defense Division commercially insures agency property, fine arts, boiler & machinery, inland marine, employee fidelity bond, equipment, aircraft & helicopters, and miscellaneous unique coverages. A summary of agency specific coverages is provided in the Risk Management and Tort Defense Division's annual report.

Insurance rates for commercial insurance are set by the state's commercial insurers each fiscal year. Each agency's commercial insurance premium is then determined by the Risk Management and Tort

Defense Division and submitted to the insurer based upon the number, type, or value of the exposure units to be insured.

Example #1: Each agency's property premium is determined by the commercial insurer based on estimated replacement value of state property (buildings and contents) that the agency reports to the Risk Management and Tort Defense Division each year and the insurer's rate.

Example #2: Each agencies' boiler premium is dependent on the number and types of boilers that it operates (See Risk Management Procedures Manual - Source Data Instructions, Appendices.) Currently, the rate is \$61 for other than Class C type boilers. Since the Department of Administration has 26 of these boilers, the total premium for boilers is \$1586.

SELF-INSURANCE COVERAGES

General Liability/Vehicle Liability

The State presently self-insures all general liability and vehicle liability coverages because it is more cost effective than to purchase commercial insurance. Each agency's premium is dependent upon the total number of its employees and vehicles, its reported losses for the past three years, and the level of allocation.

Total funding requirements for the State are submitted each biennium by a consulting actuary. Funding alternatives are explored, and the total funding requirement is then approved by OBPP. Rates are then allocated to each agency based on the funding level.

For fiscal years 94 and 95, approved funding levels were respectively \$3,592,941 and 4,607,039. These overall funding levels represent incremental increases of 20% and 22% above FY 92 base. These funding levels provide the minimum level of cash flow necessary to cover operating costs, attorneys and other contract fees, and projected claims and lawsuits.

A number of factors have contributed to an increase in the state's overall funding requirements:

- An increase in the costs of litigation (attorney's fees, court costs, and settlement costs).
- An increase in the number of claims filed against the state.
- Increases in the value of settlements and verdicts.
- The State of Montana's high damage caps of \$750,000 per claim and \$1,500,000 per occurrence.

Allocation Methodology

A summary of the allocation methodology for all state agencies is attached (Exhibit A) and is determined by formula. The narratives below describe the allocation procedure:

- 1) Column 1 - a two-code description of agencies used by the Risk Management and Tort Defense Division.
- 2) Column 2 - description of column 1.
- 3) Column 3 - 88/89, 89/90, and 90/91 reported losses and loss adjustment expenses by department for these years.
- 4) Column 4 - A breakdown of each agency's losses (i.e. Department of Family Services has 7.7% of Gross reported losses in column 3).
- 5) Columns 5 and 6 - number of FTE equivalents (vehicles and employees by agency of state government).
- 6) Column 7 - distribution of exposures (i.e., FTEs and vehicles) by agency. Example: The Department of Family Services has 2.82% of the state total.
- 7) Column 8 - experience factor.

This number is derived through actuarial calculations but is an indicator of each agency's losses as a percentage of its expected losses. (See examples)

- 8) Column 9 - exposure premium. The total amount to be allocated in this example is 3,592,941 for FY94. The allocation to each agency is based upon that agency's percentage of FTEs to total FTEs and applied to the total in Column 9.
- 9) Column 10 - represents the experience modifier for each agency, in Column 8, multiplied by Column 9.
- 10) Column 11 - represents the total allocation by agency (Column 10 multiplied by Column 9 and divided by Column 10). This measure is necessary to allocate the full amount (\$3,592,941).

Allocation Examples

An example of how two agency's general and vehicle liability insurance premiums are derived for FY 94 is summarized below:

Example #1 (Refer to Exhibits A, A-1):

Agency: Department of Commerce
 % of Exposure: 1.51% of state total FTE
 Equivalents (Employees)
 % of Experience: 2.72% of state total losses

Experience Factor*	Distributed Costs Based on Exposure	Distributed Costs Based on Allocation	Distributed Offset Costs Based on Allocation
	(8)	(9)	(10)=(8)X(9)
1.06	54,316	57,637	61,389

(Any discrepancies in the numbers used in this example in determining the allocation are due to differences in rounding.)

- * The experience factor is a ratio based upon each agency's actual reported losses as a percentage of expected losses. (Individual losses are capped based upon the agency's exposure.) An experience factor of 1.06 indicates that the Department of Commerce's loss experience was 106% of

what was expected based upon its exposures. Another way to view it is the Department of Commerce's loss experience was 6% worse than expected based upon its exposures.

Distributed costs based on exposure represents each agency's allocation of premium solely based upon its exposures. In this example, 3,592,941 multiplied by 1.51%.

*** Distributed costs based on allocation represents each agency's exposure premium (9), multiplied by its experience factor (8).

**** Distributed offset costs based on allocation represents each agency's experience premium (10) multiplied by an offset factor. This rate is the rate approved by OBPP and included in each agency's budget. The offset factor is determined based upon the amount of the offset needed to reach the allocation. In developing the experience premium, the total sum of all agencies was \$3,373,372.

A 6.5% offset increase was needed to reach the state's funding requirement of \$3,592,941.

An example of how the allocation is broken down within a department having more than one agency is attached (Exhibit A-1) for the Department of Commerce. The funds to be allocated are \$61,389. In row (1), each agency's exposures are broken down. In row (2), total FTE equivalents are determined. Row (3) shows the distribution percentage of exposures for each agency. Row (4) will then show the amount of allocation for each agency. The total of row (4) will equal the original allocation amount, \$61,389. Rows (5) through (8) show the effects on placing a cap on how much each agency's premium increases or decreases. Since no caps were utilized for FY 94 or FY 95 budgets, these rows are irrelevant. Rows (9) and (10) show how the allocation breaks down between general and auto liability. For example, the Board of Investment's general liability portion is \$4,242, and the auto liability is \$0.

NOTE: In the example above, if losses over the past

three years were only \$50,000 less, the experience modifier would have been 1.01 and the agency would have saved \$3,146 in general liability and vehicle liability insurance premiums.

Example #2 (See Exhibit A, A-2):

Agency: Fish, Wildlife, & Parks					
% of Exposure:	7.89% of state total FTE Equivalents (Employees and Vehicles)	Distributed Costs Based Exposure Experience Factor*	Distributed Costs Based Allocation (Experience (Exposure (8) (9) (10)=(8)(9)	Distributed Offset Costs Based On Allocation*** (11)=(10) X 1.065 Offset Fac.	.61 283,603 171,876 183,633

(Any discrepancies in the numbers used in this example in determining the allocation are due to differences in rounding.)

- * An experience factor of .61 indicates that the Department of Fish, Wildlife, & Parks loss experience was 61% of what was expected based upon its exposures. Another way to view it is Department's loss experience was 39% better than expected based upon its exposures.

** Distributed costs based on exposure represents each agency's allocation of premium solely based upon its exposures. In this example, 3,592,941 multiplied by 7.89%.

*** Distributed costs based on allocation represents each agency's exposure premium (9), multiplied by its experience factor (8).

**** Distributed offset costs based on allocation represents each agency's experience premium (10) multiplied by an offset factor. The offset factor is determined based upon the amount of the offset needed to reach the allocation. In developing the experience premium, the total sum of all agencies was 3,373,372. A 6.5% offset increase was needed to reach the state's funding requirement of \$3,592,941.

A summary of the breakdown for general liability and vehicle liability insurance premiums is provided in Exhibit A-2.

(A copy of your agency specific allocation for general liability/vehicle liability insurance coverages for FY 94 is attached. Agency specific FY 95 allocations are available upon request.)

REMEMBER, Losses = \$\$\$\$\$\$ and they can, in many cases, be prevented and controlled!

BILLING

The division establishes the rates to be charged to each participant during the biennial budget preparation process. The division then submits these rates to OBPP for inclusion in each agency's budget.

State participants are promptly billed for all lines of insurance beginning each fiscal year. Participants are required to remit payment by September 1 of each fiscal year.

If you have any additional questions about your insurance premiums, please contact the Risk Management and Tort Defense Division.

STATE OF MONTANA DEPARTMENT OF ADMINISTRATION
RISK MANAGEMENT AND TORT DEFENSE DIVISON

Exhibit A

Cost Allocation Comparison –Liability
FY 94

Agcy (1)	Description (2)	FY 89-91		FTE Count (5)	VEH Count (6)	FTE Dist.(c) (% of Exposure) (7)		Exper Factor (8)	Distributed FY 94 Costs Based on Exposures (9)	Distributed Costs Based on Allocation (10)	Distributed Offset Costs Based on Allocation (11)
		Gross Reported (3)	Percent of Experience (4)			(%)	(%)				
AD	Administration	\$275,637	3.46%	573	21.1	2.53%	0.91		\$90,994	\$83,041	\$88,446
AG	Agriculture	1,291	0.02%	99	22.7	0.55%	0.94		19,624	18,519	19,724
AU	Auditor's Office	6,989	0.09%	69	0.0	0.29%	0.98		10,439	10,200	10,864
BE	Board of Education	0	0.00%	136	8.0	0.62%	0.93		22,205	20,762	22,113
CO	Commerce	216,643	2.72%	299	44.6	1.51%	1.06		54,316	57,637	61,389
CP	Comm. of Political Practices	0	0.00%	3	0.0	0.01%	1.00		454	453	483
CR	Corrections	316,457	3.97%	2,124	413.2	11.29%	0.62		405,738	251,866	260,260
FS	Family Services	613,422	7.70%	593	57.8	2.02%	1.02		101,443	103,797	110,553
FW	Fish, Wildlife & Parks	111,475	1.40%	587	953.7	7.89%	0.61		283,603	171,876	183,063
GO	Government	2,138	0.03%	229	1.0	0.97%	0.90		34,846	31,505	33,555
HE	Health	8,287	0.10%	362	12.9	1.60%	0.86		57,410	49,184	52,385
HS	Historical Society	0	0.00%	50	0.0	0.21%	0.98		7,565	7,390	7,871
JU	Justice	88,723	1.11%	627	331.7	4.53%	0.74		162,609	120,116	127,934
LA	Lands	7,047	0.09%	346	799.4	6.00%	0.60		215,611	129,888	138,342
LI	Labor and Industry	119,632	1.50%	661	35.8	2.99%	0.86		107,316	92,756	98,794
LV	Livestock	0	0.00%	119	44.2	0.75%	0.92		27,037	24,927	26,549
MA	Military Affairs	45,513	0.57%	109	2.0	0.47%	1.00		16,895	16,893	17,993
NR	Natural Resources	362	0.00%	268	44.5	1.38%	0.87		49,629	42,974	45,772
PI	Office of Public Inst.	0	0.00%	135	20.3	0.68%	0.93		24,565	22,811	24,295
PS	Public Service Commission	13,735	0.17%	46	6.9	0.23%	0.99		8,376	8,272	8,811
RE	Revenue	58,648	0.74%	804	147.0	4.22%	0.73		151,670	110,636	117,837
SC	Supreme Court	4,582	0.06%	91	4.0	0.41%	0.96		14,585	14,030	14,943
SR	Social and Rehab. Services	44,470	0.56%	904	31.1	3.98%	0.73		143,110	104,512	111,314
TR	Transportation	5,359,592	67.23%	1,934	3,021.8	25.32%	1.62		909,782	1,473,059	1,568,938
US	University System	676,862	8.49%	3,224	907.5	18.73%	0.60		673,121	406,267	432,710
	Total	\$7,971,506	100.00%	14,391	6,931	100.00%	0.94		\$3,592,941	\$3,373,372	\$3,592,941

STATE OF MONTANA DEPARTMENT OF ADMINISTRATION
RISK MANAGEMENT AND TORT DEFENSE DIVISION

Exhibit A-1

Cost Allocation Example - Commerce (CO)

Funds to be Allocated :

\$61,389

Code Description	6501 Department	Board of Commerce	Total
(1) Exposures(a)			
(A) FTE	299	27	325
(B) Passenger Auto	18	0	18
(C) Bus	0	0	0
(D) Light Truck	22	0	22
(E) Medium Truck	2	0	2
(F) Heavy Truck	2	0	2
(G) Motorcycle	0	0	0
(H) Commercial Trailer	0	0	0
(I) Special Purpose	0	0	0
(J) Utility Trailer	1	0	1
Total Vehicles by Department	45	0	45
(2) FTE Equivalents(b)	359.0	26.7	385.7
(3) Distribution = (2)/Total(2)	93.1%	6.9%	100.0%
(4) Indicated Allocated Costs(c)	\$57,147	\$4,242	\$61,389
(5) Actual(s)	45,472		45,472
(6) Indicated Change = (4)-(5)	11,675		11,675
(7) Capped Indicated(d)	57,147	\$4,242	61,389
(8) Change after Capping = (7)/(5)	25.7%		35.0%
(9) Capped Indicated, GL Portion	\$47,564	\$4,242	\$51,806
= [(1A)(2)]x(7)			
Rate per FTE [(9)/(1A)]	\$159.18	\$159.18	\$159.18
(10) Capped Indicated, AL Portion	\$9,583	\$0	\$9,583
= (7) - (9)			
Rate per Pass Car	\$214.89	\$0.00	\$214.89

Cost Allocation Example - Fish, Wildlife & Parks (FW)

Funds to be Allocated :

\$163,063

Exhibit A-2

Code Description	5201 Fish, Wildlife & Parks	Total
(1) Exposures(a)		
(A) FTE	587	587
(B) Passenger Auto	51	51
(C) Bus	0	0
(D) Light Truck	344	344
(E) Medium Truck	18	18
(F) Heavy Truck	10	10
(G) Motorcycle	80	80
(H) Commercial Trailer	4	4
(I) Special Purpose	122	122
(J) Utility Trailer	343	343
Total Vehicles by Department	972	972
(2) FTE Equivalents(b)	1,874.5	1,874.5
(3) Distribution = (2)/Total(2)	100.0%	100.0%
(4) Indicated Allocated Costs(c)	\$163,063	\$163,063
(5) Actual(s)	478,302	478,302
(6) Indicated Change = (4)-(5)	(295,239)	(295,239)
(7) Capped Indicated(d)	163,063	163,063
(8) Change after Capping = (7)/(5)	-81.7%	-81.7%
(9) Capped Indicated, GL Portion	\$57,325	\$57,325
= [(1A)(2)]x(7)		
Rate per FTE [(9)/(1A)]	\$97.66	\$97.66
(10) Capped Indicated, AL Portion	\$125,738	\$125,738
= (7) - (9)		
Rate per Pass Car	\$131.84	\$131.84